MARKETBEAT

BIRMINGHAM

MULTIFAMILY Q3 2026



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
10.7% Market Vacancy Rate (Market vacancy excludes properties in lease-up)	▼	▼
1,716 YTD Net Absorption, units	▲	▲
$1.28 Effective Rent, PSF	▲	▲
$82,900 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
571.1K Birmingham Employment	▲	▲
3.3% Birmingham Unemployment Rate	▲	▲
0.4% Birmingham Household Growth Rate YOY		
0.5% U.S. Household Growth Rate YOY		

Source: BLS BOC, Moody's Analytics, CoStar, Cushman & Wakefield Research

SUPPLY AND DEMAND

Birmingham's multifamily market strengthened further in Q3 2026 as healthy renter demand and limited new supply supported favorable operating fundamentals. Development activity remained relatively subdued, with just 931 units under construction, representing a 21.8% decline year-over-year (YOY). While the pipeline expanded from the prior quarter as projects in Shelby County and Outlying Jefferson County advanced, construction activity remained well below levels recorded over the past several years. No new deliveries were completed during the quarter, leaving year-to-date (YTD) deliveries at zero and allowing existing inventory to absorb demand without meaningful supply pressure.

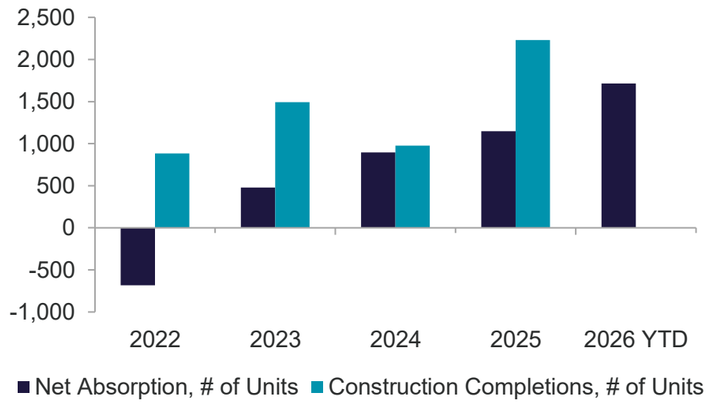
Leasing activity remained positive during the quarter. Net absorption totaled 543 units, bringing YTD absorption to 1,716 units, an increase of 85.5% compared with the same period in 2025. Demand was broad-based across the market, with Hoover/Vestavia Hills, Homewood, and Outlying Jefferson County generating the strongest leasing activity through the first nine months of the year. The sustained pace of absorption reinforced strengthening market conditions despite vacancy remaining elevated relative to historical norms.

Market vacancy declined to 10.7% in Q3 2026, improving 40 basis points (bps) quarter-over-quarter (QOQ) and 100 bps YOY. Vacancy has now fallen by nearly 250 bps since reaching a recent peak of 13.2% in Q1 2025, reflecting the market's progress in absorbing inventory delivered during the prior development cycle. With no completions recorded this year and demand remaining healthy, occupancy trends continued to move in a positive direction.

PRICING

Effective rents remained stable during Q3 2026 while continuing to show signs of recovery. Average effective rent ended the quarter at $1,268 per unit, or $1.28 per square foot, up 1.3% YOY. Annual rent growth accelerated from the modest gains recorded earlier in the year and marked the strongest increase since 2022. The combination of improving occupancy, healthy absorption, and limited supply additions provided support for market pricing during the quarter. As recently delivered inventory continues to stabilize and development activity remains measured, Birmingham appears increasingly well positioned for sustained rent growth and healthy multifamily fundamentals moving forward.

DEMAND / DELIVERIES



MARKET VACANCY & EFFECTIVE RENT



© 2026 Cushman & Wakefield

BIRMINGHAM
MULTIFAMILY Q3 2026

MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CNSTR (UNITS)	YTD NET ABSORPTION (UNITS)	MARKET VACANCY RATE	YOY VACANCY RATE CHANGE (BPS)	AVG EFFECTIVE RENT / UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
Bessemer/Fairfield	3,613	0	0.0%	0	167	13.1%	-120	$1,144	$1.22	5.0%
Cahaba Heights	4,329	0	0.0%	0	46	7.0%	-60	$1,436	$1.36	-0.9%
Center Point	3,821	0	0.0%	0	-22	16.0%	10	$871	$0.91	0.6%
Downtown Birmingham	6,609	0	0.0%	0	284	14.6%	20	$1,415	$1.80	-1.2%
Homewood	7,128	0	0.0%	0	318	12.9%	-260	$1,262	$1.29	3.9%
Hoover/Vestavia Hills	11,564	0	0.0%	0	418	13.3%	-130	$1,249	$1.15	3.6%
Outlying Jefferson County	8,183	0	0.0%	330	313	7.2%	-40	$1,316	$1.30	0.7%
Shelby County	9,220	0	0.0%	601	180	5.7%	-130	$1,291	$1.25	-0.9%
St Clair County	1,112	0	0.0%	0	12	2.8%	-120	$1,195	$1.15	2.8%
TOTAL MARKET	**55,579**	**0**	**0.0%**	**931**	**1,716**	**10.7%**	**-100**	**$1,268**	**$1.28**	**1.3%**

KEY RECENT TRANSACTIONS

PROPERTY	SUBMARKET	UNITS	YEAR BUILT
The Woodley	Hoover/Vestavia Hills	70	1973
Incline at Crestwood	Airport	270	1980
Ashley on Weaver	St Clair County	63	2020
Hills at Hoover	Hoover/Vestavia Hills	320	1972
Jubilee Townhomes	St Clair County	72	2012

KEY RECENT CONSTRUCTION HIGHLIGHTS

PROPERTY	SUBMARKET	UNITS	DELIVERY
Rivet	Shelby County	300	Q4 2028
Tapestry Cahaba	Outlying Jefferson County	275	Q2 2028
The Current at Grants Mill	Outlying Jefferson County	330	Q3 2027
The Laurel at Calera	Shelby County	312	Q2 2027
Colina Rocky Ridge	Outlying Jefferson County	198	Q2 2027
The Heights at Inverness	Shelby County	289	Q1 2027

OUTLOOK

- Limited new supply is expected to support continued improvement in occupancy as the market works through inventory delivered during the recent development cycle.
- Healthy leasing fundamentals and sustained apartment demand should help maintain positive absorption, supporting further stabilization across the market.
- Birmingham's diverse employment base and relatively affordable cost of living are expected to continue supporting household formation and long-term multifamily demand.

SHERRA GILBERT
Senior Research Manager
Tel: +1 713 260 0282
sherra.gilbert@cushwake.com

©2026 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield ("CWK"). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK's securities.
You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

© 2026 Cushman & Wakefield